

Adara Partners – Independent Financial Advisor to Pental (2022/23)

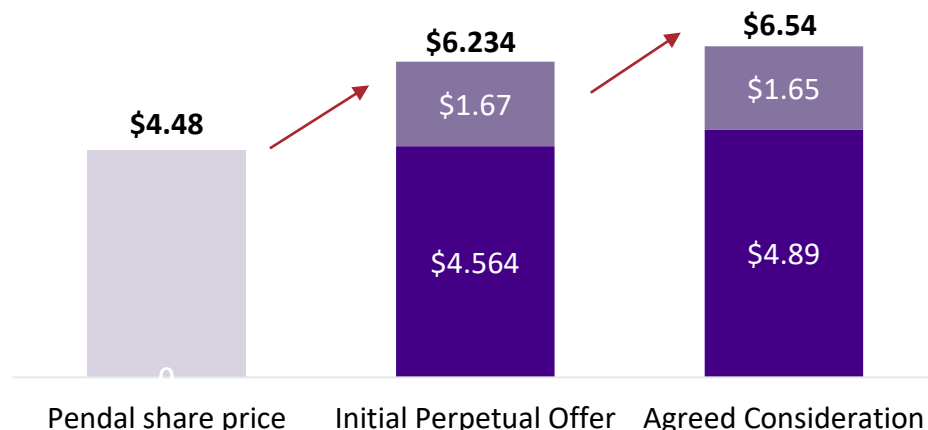
Adara Partners advised Pental on strategy, takeover defence and its subsequent merger with Perpetual to create a combined global group with A\$200 billion of assets under management.

Snapshot

- Independent financial advisor to the Board of Pental on strategy and takeover defence from April 2022 until Pental's successful merger with Perpetual in January 2023.
- Adara Partners team led by Panel Members, Tim Burroughs and Andrew Best, provided highly experienced wise counsel leading to a significantly value accretive transaction for Pental shareholders notwithstanding turbulent economic conditions.
- Transaction value represented an attractive 46% premium¹ and implied transaction multiple of 18.7x EV/FY23 EBITDA².
- Outstanding transaction value recognised by Pental shareholders with an overwhelming 99.28% vote in favour of the transaction.



Figure 1 – Implied scheme consideration value compared to trading price¹



Adara Partners provided the following services

- Initial and ongoing review of company stand-alone value and strategy to evaluate transaction proposals, including rejection of initial offer by Perpetual.
- Recommendations to tactically defend the company against approaches that could undervalue and cause harm.
- Internal financial analysis including valuation modelling, assessment of capacity to pay and bid evaluations.
- Advice on strategic pathways and guidance to create competitive tension in a challenging economic environment which ultimately led to an improved offer by Perpetual.
- Seasoned advice to maintain the value of the merger to the company's shareholders including against interloper suitors of Perpetual.
- Advice on negotiations, valuation, and stakeholder communications, providing wise counsel to the Chair and Board at all critical junctures of the transaction.

Outcome

- A final binding price of 1 Perpetual share for every 7 Pental shares and \$1.65 cash per share, delivering exceptional value to Pental's shareholders:
 - Premium of 46% to Pental's undisturbed closing share price¹, significantly above par for similar transactions.
 - Impressive implied transaction multiple of 18.7x EV/FY23 EBITDA².
 - Value achieved at high end of the range of \$4.87 - \$5.71 per share set out by the Independent Valuer.
- "The combination will deliver a significant increase in scale, enhance positioning in an increasingly competitive global market and bring strategic benefits both domestically and internationally. Furthermore, the combined group... will be well positioned to deliver long-term shareholder value."*³

About Adara Partners

Collectively our Panel Members have advised over 90% of the ASX100 and have worked on many of the largest and most critical transactions in Australia's corporate history. Adara Partners' services are not limited to the ASX100 – our Panel Members have worked on a range of public and private corporate engagements, providing our clients with their expertise, through wise counsel, financial and strategic advice



Ilana Atlas AO
NED, Former Executive and Law Firm partner



Andrew Best
Former Head of Investment Banking at J.P. Morgan



Catherine Brenner
NED, Former Investment Banker



Tim Burroughs
Former Chairman of Investment Banking at Goldman Sachs



Guy Fowler
Co-Executive Chairman of Barrenjoey Capital Partners



David Friedlander
Chairman of King & Wood Mallesons, Australia



Graham Goldsmith AO
NED, Former Vice Chairman of Goldman Sachs



David Gonski AC
Non-executive Chairman of Barrenjoey Capital Partners



Matthew Grounds AM
Co-Executive Chairman of Barrenjoey Capital Partners



Christian Johnston
Chairman of Goldman Sachs, Australia & New Zealand



Diccon Loxton
Senior Finance Counsel at Allens Linklaters



Tony Osmond
Chairman of Citigroup



Cynthia Scott
Managing Director, Australia & New Zealand, Zip Co.



Philippa Stone
Joint Global Head of Equity Capital Markets at Herbert Smith Freehills

Our Panel Members provide their time and expertise pro bono. All profits are donated to Adara Development, Adara's not-for-profit arm that delivers services directly to more than 200,000 people living in poverty each year in Uganda and Nepal, and touches countless more through knowledge sharing

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